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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 005331

SIPDIS

DEPT FOR EAP, EAP/MTS, EAP/MLS, G/TIP, IO/UNP
NSC FOR H. MORROW

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TAGS: [PREL](#) [PGOV](#) [PINR](#) [MARR](#) [PTER](#) [PHUM](#) [ETRD](#) [RP](#) [BM](#) [UNSC](#)

SUBJECT: EAP DAS JOHN'S NOVEMBER 11 MEETING WITH PRESIDENT

ARROYO: PDR, COUNTERTERRORISM, TIFA, TIP, BURMA

REF: A. MANILA 5317

[B.](#) MANILA 5300

Classified By: Charge d'Affaires, a.i., Paul W. Jones for
reasons 1.4 (b) and (d).

[¶](#)11. (C) Summary: EAP DAS John and Charge met November 11 with President Arroyo. Arroyo underscored her government's support for Philippine Defense Reform (PDR) and continued counterterrorism cooperation. She expressed interest in the U.S. and the GRP agreeing to a Free Trade Agreement (FTA), said the GRP was committed to fighting TIP, and also pledged support for a proposed UN Security Council briefing on the Burmese human rights situation. DAS John noted the USG's continued support for PDR, urged the GRP to make the U.S.-GRP Trade and Investment Framework Agreement (TIFA) as effective as possible, urged more progress on TIP, and thanked Arroyo for her support regarding Burma. (See Septel for Arroyo's comments regarding emergency rule and Ref A concerning her comments on the alleged rape case involving U.S. Marines.)
End Summary.

Philippine Defense Reform

[¶](#)12. (C) EAP DAS Eric John, accompanied by CDA Jones, met with President Gloria Macapagal Arroyo on November 11. (complete list of participants in para 8). John emphasized that he was focused on improving the already positive level of cooperation between the U.S. and the Philippines on a range of substantive issues. He cited several areas where the USG and the GRP were working together well such as Philippine Defense Reform (PDR), counterterrorism, and economic reform. President Arroyo noted that she strongly supported PDR and was working to strengthen it. Arroyo said the GRP anticipated a savings of 37 billion pesos (USD 673 million) on its debt service in 2006 due to increased revenue collection, which will enable her to seek Congressional approval to allocate more funds to PDR. Arroyo inquired whether the USG would be able to match any additional GRP contributions to PDR. DAS John responded that it would depend on future U.S. budgets, but that the USG would try to do all it could to support the program. Arroyo commented that if the U.S. were unable to match the GRP's increased funding, the GRP would finance that part of PDR itself because the program was very important to her government. (Note: See septel regarding DAS John's discussion of PDR with GRP defense officials. End Note.)

Counterterrorism

[¶](#)13. (C) Arroyo added that PDR would result in the Philippines being better equipped to fight terrorism. DAS John pointed out that Southeast Asia remained a significant front in the global war on terror and praised the excellent cooperation between the USG and GRP in the southern Philippines. The enactment of a counterterrorism law by the Philippines would send a strong signal, as would success in apprehending key terrorists. Arroyo noted the recent arrests of several high-value terrorist suspects, adding that her government firmly supported an anti-terrorism law and was pushing it forward in Congress.

Trade and Investment

[¶](#)14. (C) Arroyo inquired about the status of the TIFA between the USG and the GRP. She expressed interest in a US-RP FTA in the future. DAS John replied that the USG wanted to make the TIFA as effective as possible. He also noted that President Bush's Fast-Track Authority was scheduled to run out in the summer of 2007. Charge noted that we would like for the Philippines to move off of the Special 301 Watch List for Intellectual Property Rights (IPR) deficiencies as soon as possible. A recent assessment team had reported some positive news regarding respect for IPR in the Philippines, but problems remain in obtaining convictions of violators, he underscored.

Trafficking in Persons

15. (C) Arroyo conceded that enforcement remained a problem for both IPR and human trafficking. Arroyo promised that TIP would be an important issue on the agenda of her November 15 Cabinet meeting. DAS John urged immediate progress in TIP prosecutions and convictions. He flagged that Ambassador John Miller of G/TIP would visit the Philippines from December 3-6 to discuss trafficking-related action with GRP and NGO officials.

Burma

16. (C) DAS John noted that President Bush and Secretary Rice were both very interested in and personally committed to the issue of democracy and human rights in Burma, noting the President's October 31 White House meeting with Burmese activist Charm Tong as the most recent evidence of this commitment. DAS John pointed out that the threat of narcotics, disease, refugees, etc., emanating from Burma were serious problems. Burma was an international problem and required international cooperation, he emphasized. We would like to compare notes with other countries in the region about what is happening in Burma, so that a consensus could be reached on how each country can contribute to promoting democracy there.

17. (C) DAS John highlighted that the U.S. supported a proposal that would lead to a briefing of the UN Security Council on Burma's human rights situation. We had approached the GRP on the issue and we needed its support. Arroyo asked how many votes there now were in support of such a discussion at the UNSC. DAS John responded that he believed that it was close and that Philippine support was crucial. Arroyo reiterated her promise that the GRP would support the USG on this matter, and noted that she looked forward to seeing President Bush in Busan, Korea.

18. (U) Participants in the November 11, 2:30 P.M., meeting at Malacanang Palace:

U.S.:
EAP DAS Eric G. John
Charge d'Affaires Paul W. Jones
Acting Political Counselor Joseph L. Novak
Political Officer Timothy Cipullo (Notetaker)

GRP:
President Gloria Macapagal Arroyo
Secretary of Foreign Affairs Alberto Romulo

SIPDIS
DFA Assistant Secretary Ariel Abadilla
Philippine Ambassador to the U.S. Albert Del Rosario
DFA Americas Desk Officer Angelito Nayan

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Jones